

# **EXHIBIT 7**

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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK  
-----x

3 UNITED STATES OF AMERICA,

4 v.

19 CR. 741 (WHP)  
Remote Videoconference

5 BRYAN COHEN,

6 Defendant.  
7 -----x

8 New York, N.Y.  
9 June 9, 2020  
10 11:00 a.m.

Before:

HON. WILLIAM H. PAULEY III,

12 District Judge  
13

14 APPEARANCES

15 GEOFFREY S. BERMAN,  
16 United States Attorney for the  
Southern District of New York  
17 RICHARD A. COOPER  
Assistant United States Attorney

18 BRAFMAN & ASSOCIATES, P.C.  
19 Attorneys for Defendant  
BY: BENJAMIN BRAFMAN

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1 (The Court and all parties appearing via Skype)

2 THE DEPUTY CLERK: Judge, you can hear me?

3 THE COURT: I can.

4 THE DEPUTY CLERK: I think we're ready to proceed.

5 THE COURT: I don't see the defendant on my scene.

6 MR. BRAFMAN: We are on the screen but we're in a very  
7 small box in the lower right-hand corner of our computer. This  
8 is Mr. Brafman.

9 THE COURT: So your and your client are together?

10 MR. BRAFMAN: Yes, your Honor.

11 THE COURT: OK. All right then I think we are ready  
12 to proceed. Would counsel for the government give their  
13 appearance.

14 MR. COOPER: Yes. Good morning, your Honor. Richard  
15 Cooper for the United States.

16 THE COURT: Good morning, Mr. Cooper. And are any of  
17 your colleagues joining?

18 MR. COOPER: No one -- none of my colleagues are on  
19 the video Skype. A number, I believe, are dialed in on the  
20 public telephone line.

21 THE COURT: Very well.

22 Would counsel for the defendant give his appearance?

23 MR. BRAFMAN: Your Honor, it's Benjamin Brafman of  
24 Brafman & Associates. I am seated next to Bryan Cohen, the  
25 defendant. I have some colleagues in attendance. Pursuant to

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1               Thus, the defendant's total offense level is 19.  
2 Because this is his first criminal conviction, his criminal  
3 history category is a I.

4               Under the guidelines, that yields a guideline range of  
5 30 to 37 months of imprisonment.

6               Now, the parties have sharply divergent views about  
7 the appropriate sentence for Mr. Cohen. The government argues  
8 for a sentence at the top of the guidelines range. The  
9 defendant urges the Court to sentence him to two thousand hours  
10 of community service to be performed in France, his country of  
11 citizenship.

12              This Court rejects both parties' proposals. The  
13 Court's obligation is to fashion a sentence that considers all  
14 the factors under 3553(a) and makes an individualized  
15 assessment of this case and the defendant.

16              And so turning to those factors, with respect to the  
17 nature and circumstances of the offense, Mr. Cohen engaged in a  
18 protracted course of conduct and disclosed material nonpublic  
19 information on multiple occasions about substantial  
20 acquisitions in which his employer Goldman Sachs was serving as  
21 an adviser. He provided a steady stream of secret information  
22 for which he was paid in cash by Marc Demane, a member of a  
23 much wider insider trading network.

24              The sophistication of the scheme included the use of  
25 prepaid, unregistered burner phones and speaking in code.

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1                   The government aptly describes Mr. Cohen's conduct as  
2 brazen. His actions in this insider trading conspiracy were  
3 the actions of someone who knew what he was doing was wrong and  
4 took every precaution to try to avoid detection. There is, in  
5 my view, a compelling need for deterrence to punish Mr. Cohen  
6 and to discourage others like him from engaging in insider  
7 trading.

8                   Now, Mr. Cohen was born in the South of France and  
9 raised by caring and devoted parents. He consistently ranked  
10 at the top of his class beginning in elementary school and  
11 continuing all the way through to completion of a master's  
12 degree in corporate finance.

13                  He was also a gifted athlete and offered a scholarship  
14 as a member of France's national golf team.

15                  Because of his academic accomplishments, he was  
16 selected for highly coveted internships in France, including --  
17 in finance, excuse me, including one in the United States. And  
18 when he graduated from his university studies, Goldman Sachs  
19 hired him as an analyst in its London office. There he  
20 excelled and earned the respect of his supervisors and  
21 subordinates. Six years later he was promoted to  
22 vice-president and in August of 2017 he realized his dream when  
23 he was transferred to Goldman Sachs' headquarters in New York.

24                  In short, Mr. Cohen led a privileged life and in many  
25 ways until he got involved in this conspiracy an exemplary life

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1 and seemed destined for great success in the world of  
2 investment banking.

3 Now, the Court has reviewed the many testimonials  
4 submitted by family, friends, coworkers, and others on  
5 Mr. Cohen's behalf. They paint a picture of a humble  
6 individual who was known for engaging in acts of kindness to  
7 others. Those letters, brimming with anecdotal stories of good  
8 works, stand in stark contrast to the criminal conduct to which  
9 Mr. Cohen has pled guilty.

10 There appears to be no explanation for Mr. Cohen's  
11 agreement to participate in this sordid scheme other than greed  
12 and hubris. The secret cash payments for confidential  
13 information were corrupt in every way and Mr. Cohen certainly  
14 knew it from the start. It was not a momentary lapse of  
15 judgment but continued over many months.

16 As the government notes, it's people like the  
17 defendant with access to inside information that make the  
18 entire criminal enterprise possible.

19 Moreover, he didn't really need the money because his  
20 employer was paying him handsomely. The proceeds that he  
21 received over the course of this scheme were less than his  
22 annual bonus. Perhaps he thought he covered his tracks so well  
23 that no one would ever discover the scheme or perhaps he was  
24 just doing it for the thrill. I certainly -- I don't know.  
25 But, while the record suggests that Mr. Cohen will not

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1       recidivate, the gravity of the crime underscores the need for  
2       deterrence. Indeed, he claims to have withdrawn from the  
3       conspiracy nearly two years before he was arrested. There's  
4       little evidence of any contact about 18 months prior to the  
5       arrest. But, in the end, who knows, as Mr. Cooper has  
6       suggested.

7                  To be sure, Mr. Cohen has already suffered significant  
8       consequences. He'll carry a felony conviction for the rest of  
9       his life. He's forfeited \$260,000, the profits he received  
10      from his insider trading conspiracy. He was terminated by  
11      Goldman Sachs after nearly ten years of employment. The SEC  
12      has barred him forever from the financial services industry.  
13      He'll be deported from the United States and may not return,  
14      dashing his hopes of raising a family here. And further, this  
15      prosecution has been widely publicized and his reputation is in  
16      ruins.

17                 General deterrence is also important. As many judges  
18      in this district have noted, insider trading is an easy crime  
19      to commit but a difficult crime to catch. This conviction was  
20      the result of a lengthy and painstaking investigation into an  
21      international insider trading network. Insider trading is a  
22      serious offense that undermines the financial markets, erodes  
23      investor confidence, and ultimately weakens the United States.  
24      Those who contemplate engaging in such conduct should  
25      understand the consequences.

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Now, Mr. Cohen's life was put on pause when he was arrested back on October 22 and confined to his apartment since that time. In this Court's view, that pause needs to continue for a significant period. In dealing with defendants who are foreign nationals like Mr. Cohen other judges have given consideration to the consequences attached to that status by the Bureau of Prisons. Foreign nationals, unlike similarly situated U.S. citizens, are unable to serve terms of imprisonment in a camp or minimum security facility. And when foreign nationals complete a term of imprisonment they are transferred to ICE detention where they can wait for an indefinite period to be returned to their home country. But the defendant's suggestion that he perform community service in France for a crime he committed in the United States is in my view unenforceable and absurd.

Now, as has been discussed both in the papers and here, the COVID-19 pandemic presents a host of unique challenges. Mr. Cohen has certain medical conditions that puts him at a higher risk and more susceptible to getting COVID-19. The government's notion that Mr. Cohen should continue in home detention indefinitely to await a time when it's safe for him to surrender to the Bureau of Prisons is in my view unfair and undermines the need for certainty of punishment. It's impossible to predict when the COVID-19 pandemic will abate and when the Bureau of Prisons could safely designate Mr. Cohen to

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1 a facility. In these special circumstances this Court believes  
2 that a lengthy but fixed additional period of home detention,  
3 coupled with a rigorous requirement of community service here  
4 in the United States is a just punishment that satisfies the  
5 interests of justice and serves to deter others from engaging  
6 in insider trading. It also avoids the potential of an  
7 unwarranted disparity in sentencing.

8 And so it's against this backdrop and having given  
9 full consideration to the parties' submissions --

10 THE DEPUTY CLERK: Hey, Judge. I'm sorry. The  
11 dial-in disconnected so let me get that reconnected.

12 THE COURT: OK.

13 (Pause)

14 THE DEPUTY CLERK: All right, Judge. I believe we  
15 have connected.

16 Let me just confirm.

17 THE COURT: Let me know when you're ready, Max.

18 THE DEPUTY CLERK: Yep. All right. I think. Let's  
19 see.

20 OK. I believe we're back on. Yep.

21 THE COURT: Very well. I will just repeat one remark  
22 that I made for everyone's benefit.

23 In these special circumstances this Court believes  
24 that a lengthy but fixed additional period of home detention,  
25 coupled with a rigorous requirement of community service here

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1 in the United States is a just punishment that satisfies the  
2 interests of justice and serves to deter others from engaging  
3 in insider trading. It also avoids the potential of  
4 unwarranted disparities in sentencing.

5 And so having given full consideration to the parties'  
6 submissions, this Court is prepared to impose sentence.

7 Mr. Cohen, you've permanently forfeited your ability  
8 to pursue a career in investment banking and a life in the  
9 United States. You stole material nonpublic information,  
10 breached your fiduciary duty to Goldman Sachs and its clients,  
11 and impaired the functioning of the financial markets.

12 It's my judgment that you be sentenced to time served,  
13 to be followed by 12 months of supervised release, subject to  
14 all the standard conditions of release which will be reviewed  
15 with you by your probation officer as well as the following  
16 special conditions which are critical to this sentence.

17 First, your entire term of supervised release, that is  
18 all twelve months, will be served in home detention with  
19 electronic monitoring technology to be selected by the  
20 probation department. You shall pay the costs of location  
21 monitoring based on your ability to pay as determined by the  
22 probation department.

23 Second, you will complete 1500 hours of community  
24 service working in a program that helps the neediest and most  
25 vulnerable segment of our population. I believe you'll benefit